

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF)	
PURCHASED GAS ADJUSTMENT)	
FILING OF WESTERN)	CASE NO. 8227-T
KENTUCKY GAS COMPANY)	

O R D E R

On October 9, 1981, the Commission issued its Order in Case No. 8227 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On September 9, 1983, Western Kentucky Gas Company ("Western") notified the Commission that it has received refunds from its supplier, Tennessee Gas Pipeline Company ("Tennessee Gas"), and has collected excess revenues that are due its customers.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Western has received a refund in the amount of \$305,807 from its supplier, Tennessee Gas, which represents Western's share of a refund made pursuant to Article II of the April 27, 1982, Stipulation and Agreement in Docket Nos. PR81-54, et al., approved by the Federal Energy Regulatory Commission Order of June 23, 1982.

(2) Western has received a refund in the amount of \$911 resulting from two producer-supplier refunds which are being flowed through by Tennessee Gas.

(3) Western estimates \$126,358 collected in excess revenues during the period from August 1, 1983, through September 30, 1983, as a result of the rate reduction of Texas Gas Transmission Corporation in Case No. 8227-S. This amount is due Western's customers.

(4) The total refundable amount in the filing is \$433,076. A refund factor of \$0.0285 per Mcf should be used as a reduction in the purchased gas adjustment.

(5) The refund factor should remain in effect for 4 months or until such time as the full amount plus interest has been returned to Western's customers.

(6) The refund should begin with meter readings taken on October 1, 1983, or as soon as practical thereafter.

(7) Western should refund the amounts reported in its application plus interest at a rate equal to the average of the "3-Month Commercial Paper Rates" for the immediately preceding 12-month period less 1/2 of 1 percent to cover the cost of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

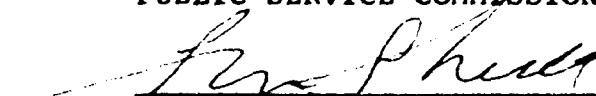
IT IS THEREFORE ORDERED that Western shall apply a refund factor in the amount of \$0.0285 per Mcf as a reduction in the approved purchased gas adjustment beginning with meter readings taken on October 1, 1983, or as soon as practical

thereafter, and this refund factor shall remain in effect until such time as necessary so that the total amount refunded will, as nearly as possible, reflect the amount received. The refund factor will terminate when the amount refunded equals the refund herein reported plus interest.

IT IS FURTHER ORDERED that within 30 days of the date the refund factor is terminated Western shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

Done at Frankfort, Kentucky, this 16th day of September, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary